

CLAUSE I-1 – ACCOUNTS, RECORDS, AND INSPECTION (August 2002)

- (a) Accounts. The Subcontractor shall maintain a separate and distinct set of accounts, records, documents, and other evidence showing and supporting (1) all allowable costs incurred, (2) collections accruing to the Subcontractor in connection with the work under this subcontract, other applicable credits, management allowance and management fee accruals under this subcontract, and (3) the receipt, use, and disposition of all Government property coming into the possession of the Subcontractor under this subcontract. The system of accounts employed by the Subcontractor shall be satisfactory to DOE and in accordance with generally accepted accounting principles consistently applied. The system of accounts may match the DOE chart of accounts;
- (b) Inspection and audit of accounts and records. All books of account and records relating to this subcontract shall be subject to inspection and audit, by DOE or its authorized representative, at all reasonable times, before and during the period of retention provided for in (d) below, and the Subcontractor shall afford DOE proper facilities for such inspection and audit.
- (c) Audit of Subcontractors' records. The Subcontractor also agrees, with respect to any lower-tier subcontracts, (including fixed-price or unit-price subcontracts or purchase orders) where, under the terms of the lower-tier subcontract, costs incurred are a factor in determining the amount payable to the Subcontractor of any tier, to either conduct an audit of the Subcontractor's costs or arrange for such an audit to be performed by the cognizant government audit agency through the Subcontracting Officer.
- (d) Disposition of records. Except as agreed upon by SURA and the Subcontractor, all financial and cost reports, books of account and supporting documents, system files, data bases, and other data evidencing costs allowable, collections accruing to the Subcontractor in connection with the work under this subcontract, other applicable credits, and fee accruals under this subcontract, shall be the property of the Government, and shall be delivered to the Government or otherwise disposed of by the Subcontractor either as the Subcontracting Officer may from time to time direct during the progress of the work or, in any event, as the Subcontracting Officer shall direct upon completion of termination of this subcontract and final audit of accounts hereunder. Except as otherwise provided in this subcontract, all other records in the possession of the Subcontractor relating to this subcontract shall be preserved by the Subcontractor for a period of three years after final payment under this subcontract or otherwise disposed of in such manner as may be agreed upon by SURA and the Subcontractor.
- (e) Reports. It is the intention of SURA to consult with the Subcontractor in determining the necessity, form and frequency of any reports required to be submitted by the Subcontractor to SURA under this subcontract. Notwithstanding the foregoing, the Subcontractor shall furnish such progress reports and schedules, financial and cost reports, and other reports concerning the work under this subcontract as the Subcontracting Officer may from time to time require.
- (f) Inspections. SURA shall have the right to inspect the work and activities of the Subcontractor under this Subcontract at such time and in such manner, as it shall deem appropriate.
- (g) Subcontracts. The Subcontractor further agrees to require the inclusion of provisions similar to those in paragraphs (a) through this paragraph (g) of this clause in all subcontracts (including fixed-price or unit-price subcontracts or purchase orders) of any tier entered into hereunder where, under the terms of the subcontract, costs incurred are a factor in determining the amount payable to the Subcontractor.
- (h) Internal audit. The Subcontractor agrees to conduct an internal audit and examination, satisfactory to SURA, of the records, operations, expenses, and the transactions with respect to costs claimed to be allowable under this subcontract annually and at such other times as may be mutually agreed upon. The results of such audit, including the working papers, shall be submitted or made available to the Subcontracting Officer.